

New Problems Threaten U.S. Nuclear Industry

Tougher Government Licensing, Stagnant Power Demand Cited

By Milton Benjamin

Washington Post Service

WASHINGTON — The U.S. nuclear power industry is in trouble again, reeling under a barrage of blows to its perceived ability to build and operate the reactors that generate 12 percent of the country's electricity.

In the last two weeks, a nearly completed \$3.3-billion plant in Illinois, Byron, was denied an operating license on safety grounds. A second nearly completed \$1.7-billion plant in Ohio was deemed so flawed that its owners proposed converting it to a coal plant.

Two other plants in Indiana, Marble Hill, in which \$2.5 billion had been invested, were abandoned in despair by a nearly bankrupt utility. A temporarily shut-down \$1-billion nuclear plant in Alabama, Browns Ferry, laid off 400 workers because of "numerous violations" of government rules.

Beyond the cost to the utilities, their shareholders and eventually, in many cases, to their customers, the shutdowns in the industry almost certainly will mean that many of the 48 nuclear power plants still under construction will not be completed.

With little increase in demand for power in the United States the past few years, partly because of the recession, utilities have no trouble meeting their customers' needs. But some experts say the combination of the cancellations and a resurgence in demand for electricity could make power shortages once again a feature of life for many Americans in the 1990's.

The nuclear industry's woes are good news for the Organization of Petroleum Exporting Countries. Many of the abandoned units would have replaced aging oil-fired plants that use almost half the amount of crude oil the United States imports daily.

Only a month ago, the U.S. nuclear industry optimistically was looking to its best year since the 1979 accident at Three Mile Island in Pennsylvania, the worst in civilian atomic power history.

Industry officials talked hopefully of 14 new power plants receiving licenses in 1984, equalling the single-year record, joining the 79 already in operation.

The shadow on the industry, government and industry sources agree, has been cast by a number of "problem plants," whose owners have found it difficult to adjust to the tougher licensing climate that has emerged since the Three Mile Island accident.

"To some extent, it's a matter of coincidence that all of these are hitting the headlines at once," said Victor Gilinsky, a member of the Nuclear Regulatory Commission. "But there are a lot of troubled projects, and a number of them presumably still will go under."

While more than 57 atomic power plants ordered before the Three Mile Island accident subsequently were canceled, a number of utilities, including many with little nuclear experience, continued forging ahead building reactors despite the blizzard of new regulations.

"I think our major problems are with the smaller utilities who didn't have an appreciation for what they are getting into and didn't develop within their organizations a spirit of getting the thing built properly," said the NRC chairman, Nuzzio J. Palladino.

One reason for this, said Mr. Gilinsky, who was appointed to the commission in 1975 by President Gerald R. Ford and is the only remaining commissioner to predate the Reagan administration, was that "enforcement of rules during construction was very lax" before the Three Mile Island accident.

"Utilities were getting away with quite a lot and others thought they could get away with more," Mr. Gilinsky said. "Now, ironically with four Reagan appointees on the commission, the chickens have come home to roost."

Mr. Palladino, who was looked to by the nuclear industry to carry

out Mr. Reagan's promise to help make it easier to build atomic power plants, found himself in the unexpected position in November 1981 of warning utilities that quality control at construction sites appeared to be a major problem.

"At that time, there were about a half-dozen plants that seemed to be steeped in these problems," Mr. Palladino said.

Mr. Palladino said it was "unfortunate" that plants like Zimmer, the \$1.7-billion facility located outside Cincinnati that faces possible conversion into a coal-fired unit at a cost of additional hundreds of millions of dollars, got to a point where their builders felt they could not meet NRC requirements.

"Nevertheless, we felt that our requirements had to be met so these plants could be judged to be safe and the public health and safety would be protected," Mr. Palladino said.

As the problems at these plants festered and construction timetables began to be reckoned in terms of decades, the cost of the projects increased as much as tenfold, fueled by double-digit inflation and 20-percent prime interest rates.

The threat these multibillion-dollar overruns could pose to utilities, whose securities were once viewed by Wall Street as the safest of risks, was brought home with a crash when Washington Public Power Supply System partially defaulted on bonds issued for a program to build five reactors.

"It is increasingly evident that the industry itself is largely to blame for its dismal history and dark future," said Representative Edward J. Markey, a Massachusetts Democrat who is a leading critic of the nuclear industry. "I say, let nuclear power meet its maker in the marketplace."

But despite its current woes, industry officials insist nuclear power has a future and that, despite all the cost overruns, the atom still has an economic advantage over its archrival, coal, in most parts of the country.

"I think nuclear needs to be a part of our country's energy mix," Energy Secretary Donald P. Hodel said.

But not a single new atomic power plant has been ordered since 1978, and Mr. Gilinsky said he thinks the future of nuclear power will depend on whether the hull is used to straighten out the problems of the past.

"We're still cleaning up the problems of the past and we'd better get them sorted out before we think of going any further," Mr. Gilinsky said.

Americans Spent A Record Time Glued to Tube

United Press International

NEW YORK — The average American household spent a record seven hours and two minutes a day watching television last year, according to the Television Bureau of Advertising.

The 1982 high, also a record, was six hours and 48 minutes. The bureau, a sales and marketing organization, said daily household viewing for the year ended with another record — December viewing reached seven hours and 37 minutes.

In the early 1950s, when television was relatively new, the average time spent by a U.S. household viewing television was four and a half hours. In 1956, the level passed five hours for the first time and 15 years later the six-hour mark was surpassed.

The Television Bureau of Advertising, which seeks to promote advertising on television, comprises about 600 television stations, station representatives, networks, program producers and syndicators, and universities.

Austerity Is Paying Off in Iceland

The Associated Press

REYKJAVIK — Cutting wages, banning strikes and calling on Iceland's 238,000 people to pull together, the center-right government elected in May has cut the annual inflation rate from 84 percent in 1983 to a projected 13 percent for this year.

The support of the close-knit population made it easier for Prime Minister Steingrímur Hermannsson's coalition to impose stern measures to bring down inflation. Among the measures was a ban on wage negotiations by organized labor.

The alternative, Icelanders were told, was soaring unemployment and national bankruptcy.

But now, with the ban on wage talks expiring Tuesday, people are anxiously watching the unions, fearful that the frustrations that accumulated during the months of austerity will bring on a new wage-price inflationary spiral.

The unions are not saying what they will do, and there is a general feeling that they will act with restraint.

When Prime Minister Hermannsson came to office, the inflation rate was running at over 150 percent. Icelanders saw their savings erode even though interest rates on normal savings accounts were as high as 40 percent. Because of soaring prices, people gave up saving.

The resulting spending spree meant that banks had no money to make loans because deposits were not being made. Shops raised prices every time shipments of imported goods arrived. The economic crisis eventually brought down the government of Mr. Hermannsson's predecessor, Gunnar Thoroddsen.

But as Mr. Hermannsson began implementing his tough measures, political opponents issued dire

warnings, claiming that the prime minister would "turn common families in Iceland bankrupt."

The short-term result was a steep fall in spending power and a tripling of the unemployment rate. But by October, Mr. Hermannsson was able to tell the Althing or parliament, that "by imposing drastic measures we managed to avoid disaster. Results have already emerged and we have definitely written a new chapter in the history of the Icelandic economy."

The Althing supported the prime minister's economic stringencies, which he had imposed by decree. The Icelandic krona was devalued in May by 14.6 percent.

Between January and May last year, the krona had fallen by 63 percent against the U.S. dollar, to stand at 25.76 to \$1. It is now 29 to the dollar. The small drop since devaluation is considered an indication of the economy's newfound stability.

One key measure of Mr. Hermannsson's policy was to break the price-wage linkage through which salaried workers were automatically compensated every three months for inflation. Instead of allowing wage increases of up to 23 percent in June to cover inflation, the government held wage boosts to 8 percent. In October the increase was 4 percent.

While wages rose 49 percent in 1983, prices went up 71 percent. Unemployment rose to 2 percent, small by Western standards but triple the 1982 rate in Iceland.

Despite the economic squeeze, the government seems to be enjoying public support for its policies. An opinion poll conducted by a newspaper in November indicated that 53 percent of the population was confident that the government's measures would bring down inflation, while 34.7 percent disagreed.



Senator John Glenn of Ohio, a Democratic presidential candidate, tuned in to President Reagan's announcement.

Praise and Scorn Greet Reagan Announcement

By Robert D. McFadden

New York Times Service

NEW YORK — President Ronald Reagan's long-awaited announcement that he would run for a second term touched off celebrations Sunday night by his supporters, choruses of derision by opponents and promises of a tough campaign by Republicans and Democrats alike.

There were no surprises in the president's nationally televised, late-evening address, and reactions to it by other candidates, public officials and political experts ranged from equally predictable praise to partisan scorn for Mr. Reagan's leadership and re-election prospects.

"Four more years of Ronald Reagan will be a disaster for this country," Senator Gary Hart of Colorado, one of eight candidates

for the Democratic presidential nomination, said in Dubuque, Iowa, where he was campaigning.

Another Democratic contender, the Rev. Jesse L. Jackson, said in Atlanta, "There must be a call to conscience; we cannot afford four more years of children being neglected." Mr. Jackson said Mr. Reagan had "failed the character test" in the presidency.

The House speaker, Representative Thomas P. O'Neill Jr., Democrat of Massachusetts, one of Mr. Reagan's most outspoken critics, called on voters to defeat the president, saying that otherwise the nation faced "four more years of danger, four more years of pain."

"By escalating the arms race, by failing to negotiate peace, President Reagan has proven he is not up to this awesome task," he said. "Americans need a leader who will

unite our people for the tough challenges that lie ahead. President Reagan has been a divider, not a uniter."

Senator Howard H. Baker Jr. of Tennessee, who might have sought the Republican nomination had Mr. Reagan decided not to run, said in a statement: "He has clearly earned the right to finish the job he began over three years ago, and I pledge my wholehearted support for that effort."

Charles T. Manatt, chairman of the Democratic Party, said the Reagan candidacy "gives the American people a clear choice," and added: "The American people will decide if they want four more years of mortgaging our future with dangerous deficits, ignoring our future by cutting education and research, imperiling our future with a cold war

foreign policy and clouding the future of women and minorities by repealing two decades of bipartisan progress toward equal justice."

Frank J. Fahrenkopf Jr., the Republican Party chairman, predicted a "close, tough election."

"But," he said, "with a record of success and a vision for the future, Ronald Reagan and the Republican Party will enjoy a great victory in November. Momentum is on our side. More importantly, the American public is on our side."

Even before the announcement that the Reagan-Bush team would seek re-election, more than 1,000 Republican campaign officials, Reagan supporters and members of the administration gathered in the ballroom of the Mayflower Hotel, a few blocks from the White House, to celebrate the official start of the campaign.

Goldwater, 75, Ailing, Won't Seek Re-election

By Don Irwin

Los Angeles Times Service

WASHINGTON — After 26 years in the Senate, Barry M. Goldwater, 75, says he is ready to wind up his public career when his fifth term expires in January 1987.

Asked on television Sunday whether he planned to run for still another six-year term, the Arizona Republican replied "Hell, no." It was a characteristic reply for the senator, an old-fashioned individualist who is in poor health but still says what he thinks.

Senator Goldwater told a recent interviewer that he had had 14 major operations. They included open-heart surgery in November 1982 and a series of hip operations.

Sunday on television he called President Ronald Reagan's decision to send U.S. marines to Lebanon a "terrible mistake" but said he would oppose any move in the Senate to require Mr. Reagan to recall the troops because, under the Constitution, such decisions are "the sole responsibility of the president."

Politically speaking, Senator Goldwater said the public is "totally opposed" to the continued presence of the marines in Lebanon. He called their assignment "the only thing that I can see that will give the president any problem in running for re-election."

"Anything will hurt a man in politics when the American people disagree with him," Senator Goldwater said. "Lyndon Johnson had me looking like a tiger waiting to jump," recalling the 1964 campaign in which he won only 52 electoral votes to Johnson's 486.

That election marked the dividing point in a career that has seen him transformed from a paladin of



Senator Barry M. Goldwater

the extreme right to that of a conservative traditionalist who has differed with the GOP right wing and the Moral Majority, as well as with Democrats.

Born an heir to a department store fortune in Phoenix, Arizona, Senator Goldwater won a Senate seat in 1952. He won another term in 1958, but did not seek re-election when he tried for the presidency in 1964. He returned to the Senate in 1968 and has been re-elected twice.

March to Manila Airport Permitted; Panel Told Of Warning to Aquino

The Associated Press

MEYCAUAYAN, Philippines — The military agreed Monday to withdraw riot troops so that followers of the slain opposition leader, Benigno S. Aquino Jr., could resume a march to Manila's airport, where Mr. Aquino was assassinated.

The agreement ending a week-end of confrontation came as former Senator Salvador H. Laurel, another opposition leader, testified in Manila that Imelda Marcos, the wife of President Ferdinand E. Marcos, warned Mr. Aquino that Marcos supporters might kill him if he returned to the Philippines.

Mr. Aquino, who was Mr. Marcos's chief opponent, was shot to death upon arriving in Manila in August from self-exile in the United States.

The march to Manila International Airport began as a protest of a national referendum Friday in which voters, in a low turnout, overwhelmingly approved changes in the Philippine constitution. Foes of Mr. Marcos had urged citizens to boycott the balloting as a protest against the regime and what they said was fraud in past elections.

One amendment restored the office of vice president, which Mr. Marcos abolished in 1972, but the office will not be filled until 1987 unless Mr. Marcos dies or leaves office earlier. The others reduce the size of assembly districts and provide for urban land reform and new housing projects.

The 300 marchers were stopped by troops three times after setting out Friday to walk the 75 miles (120 kilometers) to the airport from Mr. Aquino's birthplace in Tarlac province. They were expected to resume what organizers called the "Tarlac to the tarmac" march Tuesday.

The marchers had been in the town plaza at Meycauayan, a northern Manila suburb, since Saturday, when riot troops blocked the highway to the capital.

The protesters have agreed to use road shoulders, limit the number of vehicles, allow police inspection of their ranks and march only during the day. Their ranks are expected to swell when the rank resumes. The Roman Catholic radio station Veritas broadcast appeals for citizens to join the final leg of the march.

In Manila, Mr. Laurel told the panel investigating the Aquino killing that Mrs. Marcos met Mr. Aquino in New York last May and tried to persuade him to return to Manila on her plane.

Mr. Laurel said Mr. Aquino told him that, when he refused, Mrs.

Marcos replied, "Well, in that case you'd better not come home because some of our boys may just kill you, believing that it will make us happy, although we will never order it."

Mr. Laurel said Mrs. Marcos told him on two occasions, referring to Mr. Aquino, "If he comes, he's dead."

"She was quite categorical. My impression was that she meant what she said," Mr. Laurel added.

The government has denied charges that it was involved in the assassination. It says Mr. Aquino was killed by Rolando Galman, whom it identifies as a Communist agent. Mr. Galman was shot to death by military guards after Mr. Aquino was killed.

Meanwhile Monday, Mr. Marcos, addressing the opening session of the National Assembly, announced an economic program to boost production, ordered a 10-percent cut in spending by government ministries and offices, and blamed the Philippines' economic problems — widely believed to have been triggered largely by the Aquino killing — on the global recession.

Mr. Marcos has asked foreign creditors to reschedule some of the country's \$25-billion foreign debt and to grant it new loans.

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ECONOMIC COMMUNITY OF WEST AFRICAN STATES ECOWAS TELECOMMUNICATIONS PROJET - INTELCOM 1 (PHASE B)

INVITATION TO TENDER

The executive secretariat of The Economic Community of West African States invites to international tender on 31st January, 1984 under its Regional Telecommunications Project Intelcom 1. Phase B. Facilities to be provided under this invitation to tender are to be financed by the European Investment Bank.

This invitation to tender is for the supply, installation and commission of equipment for two Microwave links consisting of the following:

Lot 1 - Kaolack (Senegal) - Banjul (Gambia) - Cacheu (Guinea-Bissau)

Lot 2 - Tambacounda (Senegal) - Mali (Guinea)

The invitation to tender is opened to at least contracting firms from the European Economic Community (EEC) and from the African, Caribbean and Pacific States (ACP) signatories of the second Lomé convention.

Documents in English and French for Lot 1 and in French only for Lot 2 are available for inspection and may be obtained from the following addresses:

— ECOWAS EXECUTIVE SECRETARIAT
Department of Transport, Telecommunications and Energy
6, King George V Road
LAGOS - Nigeria
Telex: 22633 ECOWAS NG

— ECOWAS FUND
Avenue du 24 Janvier opposite Centre Culturel Français
LOME - Togo
Telex: 5339 CEDEAO TO

— BRITISH TELCONSULT
55, Old Broad Street
LONDON EC2M 1RX
United Kingdom
Telex: 887523

The payment of U.S.\$500.00 for the tender documents which will be available from 7 February 1984 must be made by bank order in favour of Ecowas Fund.

Tender proposals in English and French should be sent to Ecowas Fund P.O. Box 2704, LOME - Togo to arrive at the latest by 4th June 1984 at 11:00 hours (local time) or delivered in person at the headquarters of the Ecowas Fund.

Tenders will be opened in public on 5th June 1984 in LOME - Togo at the headquarters of the Ecowas Fund.

Ex-Dictator Calls From Prison for Greek Opposition

Compiled by Our Staff From Dispatches

ATHENS — Greece's imprisoned former military dictator, declaring that the country has reached a "stage of crisis," has announced the formation of a rightist political party to oppose the Socialist government.

In a 30-minute message taped in the prison cell of Colonel George Papadopoulos in Piraeus and played Sunday, the former head of the military junta said that a National Political Union was being formed to revive rightist opposition to the government of Prime Minister Andreas Papandreu.

A spokesman for the new party said that Colonel Papadopoulos would head the party's list of candidates for the June elections for the European Parliament, the legislative body of the 10-nation European Community. But a government spokesman said Monday that the colonel, who led the junta from 1967 to 1973, could not run for a parliamentary seat because he was deprived of his civil rights when he was sentenced to life imprisonment.

The Papadopoulos tape was played Sunday for about 5,500 supporters of the former military leader who had gathered outside a hotel owned by backers of the ex-dictator. The crowd, sporting thousands of pictures of Colonel Papadopoulos, chanted his name and shouted "our victory has begun."

(UPI, AP)

ARTS / LEISURE

Al Jarreau Plans to Make Film on the Life of Nat King Cole



Al Jarreau: A nice-guy exterior hiding a nice guy.

By Michael Zwerin
International Herald Tribune

PARIS — "Unbelievable, isn't it?" Al Jarreau, the singer who has just been named Jazz Artist of the Year (1983) by Billboard Magazine, flashed an ingenious No. 1 smile, eyes like golden disks. This sounded like genuine amazement: "Wow! I'm just beginning to realize that it's actually going to happen."

He lowered his jaw, rolled his pupils, flexed his neck muscles and looked over his shoulder with mock terror. "Don't tell anybody," he whispered, "but I'm scared to death." Obviously acting now, he roared and stretched out a hand palm-up to receive some skin.

Jarreau, 43, who was in Paris for a French television appearance, is in good enough physical shape to give O.J. Simpson a run for his money to the Hertz counter. He is currently taking lessons to prepare for his first screen role. He has put together a package to film the story of Nat King Cole, starring Al Jarreau. Shooting begins in the spring in Los Angeles.

He has a director, a writer, a producer and financing: "For the past four years I've been beating the bushes, looking under bushel baskets and behind doors, letting it be known that this guy Jarreau wants to do a Cole project. It became feasible only recently because

I had to be a viable talent as a singer and entertainer, to reach a certain stature, before people would invest in me despite the fact that I've never done any acting before."

He can use his resourceful voice to imitate saxophones, oboes, guitars and drums. A sort of synthesizer with eyebrows, he can also hiss, boom, growl and buzz. But more than his awesome scat-singing technique, his popularity comes from a soothing, sensitive tenor voice that is equally at home singing flowery ballads or insistent finger-poppers. His phrasing is both musical and sexy, and he makes the listener believe he believes in the lyrics. He can remind you of Stevie Wonder — not to mention Nat King Cole.

In fact Cole was a major influence. A jazz pianist until he had a hit singing "Straighten Up and Fly Right" in 1943, followed by other hits like "Route 66" and "Nature Boy," Cole became the one of the first black artists to have his own sponsored radio show ("Wildroot Cream Oil," 1948), and the first to have his own network TV series (in 1956). He was one of the first black balladeers to reach the mass white audience.

Just as Cole eventually tapped richer lodes singing with string section settings, Jarreau added electronics and sang funk and rock. But like Louis Armstrong with "Mack

the Knife," they both adapted to commercial exigencies with such charm, taste and talent that you could overlook, or not even be aware of, the fact that these were compromises. Al Jarreau is Nat King Cole's prince in many ways.

Wearing a navy-blue sailor suit and matching beret, 4-year-old Al-Jarreau made his show biz debut in the Sharon Chapel of the Seventh Day Adventist Church in Milwaukee singing "Jesus Wants Me for a Sunbeam." By the time he was in the third grade, he could harmonize simple songs.

He played high school basketball and attended a Milwaukee Braves baseball training camp while at Ripon College in Wisconsin, but decided against a sports career. Graduating from the University of Iowa with a master's degree in psychology, he moved to San Francisco where he became a rehabilitation counselor — "a round peg in a square hole," as he describes it. He fit better three nights a week in the Half Note club as vocalist with pianist George Duke's trio.

He worked the Troubadour, Dino's and the Bla Bla Cafe in Los Angeles; the Bitter End and the Improvisation — where he split bills with Quincy Jones, Richard Pryor and Bette Midler — in New York. The first critical acclaim came from Europe in the form of a German record industry award as

Best New International Soloist in 1975, followed by being named Male Vocalist of the Year, 1977, by Performance, Cashbox, Down Beat and Stereo Review magazines. He has won a total of four U.S. Grammys, in both pop and jazz categories.

But he talks about winning without exclamation points: "Awards are wonderful, but the main thing is music and getting the audience response. I love it."

After spending even a few moments with him, you begin to suspect that there is a nice guy hiding inside his nice-guy exterior. After he stated: "Nat Cole was a nice guy," Jarreau's smile froze as he heard a question, which, it must be added, was tinged with irony: "Aren't nice guys boring?"

"Yeah, it might be boring if you don't know the rest. It's true that there was not much conflict in his life. Though he smoked too many cigarettes [Cole died of lung cancer], he did not have a drug abuse problem and there were no scandals. It's not 'Rocky IV' or anything like that, but there's still a lot of drama in there."

"He was a guy who broke new ground and touched a lot of people with his warmth. The music business needs people like this. He was a good person, a family man, clean and successful. That makes it a story worth telling."

Keeping Up With the Satos: The Delicate Art of Jonesmanship in Japan

By Christine Chapman
International Herald Tribune

TOKYO — When the Japanese keep up with the Joneses, or, in their case, the Satos, they are trying to improve their lives without antagonizing the neighbors. As a middle-class housewife confided: "We want to be the same as others, just one better, not much better."

The Japanese reaction to affluence was explored in a recent survey titled "Hitonami: Keeping up with the Satos." As Mariko Fujiwara, the principal writer of the English version of the survey, explained: "Our survey attempted to fill the gap the newspapers leave. They write about extreme fads, but not what the neighbors are doing. We wanted to cover the realm of everyday life."

The survey, published by the Hakuhodo Institute of Life and Living, focuses on the concept of *hitonami*, or going along with the group. In prewar days, Fujiwara said, *hitonami* was a strong pressure that helped to keep society under control. Today group constraint is giving way to individual choice. In one-upping the Satos, the Japanese are also intent on surpassing their former expectations, whether in the education of a son, the marriage of a daughter or the purchase of a household item.

The Japanese are pragmatic. They are careful in observing. They

don't want to make changes too soon," said Fujiwara. But, she added, "They are very afraid of being left behind."

The Institute of Life and Living, of which Fujiwara is a director, is an advertising company, to conduct research into the social behavior of the Japanese. For this, its first annual study on "changing lifestyles," the institute interviewed 2,000 Japanese aged between 20 and 59, using a 20-page questionnaire that covered such questions as diet, housing, jobs, education, leisure activities, household effects and belongings.

The survey, backed by tables, charts and graphs, is the first to compile in detail the ordinary habits of the Japanese. The conclusion: Ninety percent of the respondents admitted that they act like everybody else in Japan, even though they may think differently.

The survey subdivides the population down into six categories, three of conformists, three of non-conformists. The conformists group is composed of the Good Old Japanese, the Silent Majority and the Confident Middle-Class; the nonconformist groups include the Style-Oriented, the Do-It-My-Way and the Confident Theoreticians. The Confident Theoreticians and the Style-Oriented groups are the

trend-setters, and comprise only 5 percent of the population.

The profiles in the English version, which Fujiwara said are based on real people, give a thumb-nail sketch of life in each group. In the Silent Majority category, for example, Koji Yamada is a 40-year-old salesman with two teen-aged sons and a wife who works part-time.

One Sunday he is watching television while his wife is vacuuming their new suburban house. He is considering how to spend his summer vacation, which will be only three days, although he is allowed more time. He is busy and he believes it is not a good idea to take a longer vacation, since his colleagues will not do so. The sketch concludes: "As a rule, he really was not so worried by what other people did, but at the same time, he thought it was safer not to stand out and to be different from other people."

The survey provides data on the nation's potential buying habits, but Fujiwara insisted it is not a report on consumerism. "There are no direct answers to marketers," she said, stressing that the survey explores how *hitonami* consciousness influences what and how Japanese consumers choose to buy.

Despite the rage for color television sets, fully automatic washers and automatic rice cookers,

Fujiwara said: "There will be fewer big commercial successes in the future because the population is diversified."

Today's fads, she said, include personal home computers and video tape recorders. It is the Confident Theoreticians, Fujiwara explained, who can afford to invest in a video recorder and who influence the other groups. "But when the family discusses buying it, they may decide there's nothing on television worth recording. They're careful and practical. I belong to the Confident Theoreticians."

As the English-language Japan Times Weekly reported, the report is priced "beyond the range of the average Sato-san." The Japanese version sells for the equivalent of about \$120 while the 136-page English edition costs about \$150.

As the institute's director of English publications and overseas research, Fujiwara admits "sole responsibility for the English version." She is also the study's severest critic: "The English version is a lot better than the Japanese,

but it's still not very sophisticated."

Fujiwara, 35, is a forceful and American-educated and married to a economics professor.

With "Hitonami" behind her, Fujiwara and the institute are now developing their second research project, on Japanese women. Titled "Japanese Women in Turmoil," the second survey, whose Japanese version appears this month, will report on their "worries, concerns, fears, and anxieties." The English edition will be published in the fall.

"People here don't expect very much of Japanese women," she said, "but it's safe to say that women are changing more than men."

"Japanese women express their concerns in terms of their relationships with society, their children, husbands, parents and in-laws. They are very clever in that they do not try to aspire beyond what they know they can get. American women are more courageous in that sense, but Japanese women know how to manage their emotions and

small hopes. They know what steps to take to get the end."

"As for me, I have the end in mind, and I'm very aspiring," she admitted, "but I don't know how I'll get there. But, I want to keep on wanting it. I know 100 equally talented women who go the safe way with small goals and few disappointments. When I'm being cynical, I'd call them intellectually lazy. They don't know how to invest in themselves. When they read the newspaper, they turn to the TV schedule first. When they get their bonus, they go shopping. To me life is time, not accessories."

The "Hitonami" survey lists among the things Japanese women want out of life: their own room, a fur coat, their own desk, long and formal Western-style dress and their own bed.

One Japanese woman, apparently not in turmoil, laughed: "I don't have a fur coat or formal Western dress and I don't want them. I want a doctorate in linguistics and a good teaching job."

Riccis' 'Crispino' Revived in Naples

By William Weaver
International Herald Tribune

NAPLES — From the time of his first successes in the 1840s until his farewell, with "Falstaff" in 1892, in the world of Italian opera Giuseppe Verdi was the undisputed king. In fact, he ruled so totally that now, almost a century later, his is the only name that anyone knows from the period. And yet, in his time, there were other Italian opera composers, and the great houses, La Scala, the San Carlo, La Fenice, offered a varied fare, often favorably received by the public.

Lately, in the wake of the Verdi revival, there have been signs of interest in Verdi's neglected contemporaries: a radio performance of Amilcare Ponchielli's "I Lombardi" and now — here at the San Carlo — a triumphant production of "Crispino e la Comare" by the brothers Luigi and Federico Ricci, the first staging of this one-popular work in many decades. In short, it is now becoming clear that, while Verdi was certainly supreme, he was not alone, there were other talented, if lesser composers around at the time.

The Ricci brothers, a few years older than Verdi, were born and

trained in Naples, and their most successful work, the story of Crispino the cobbler, who becomes rich and famous thanks to a mysterious *comare*, or witch, is a late-blooming flower on the hardy tree of Neapolitan opera buffa.

Curiously enough, it was first heard in Venice, at the Teatro Gallo, in 1850, almost exactly a year before Verdi's "Rigoletto" was heard for the first time, in the nearby Fenice. The librettos of both operas were the work of Francesco Maria Piave, Verdi's regular poet, who had also worked on a previous occasion, for Federico Ricci (the brothers wrote separately as well as together).

Piave's libretto, based on a Neapolitan play (based, in turn, on an old fairy tale), has a great deal of charm, and the brothers Ricci set it to a series of delightful tunes, lightly and skillfully orchestrated. In its day, it must have seemed a bit old-fashioned: it harks back to Donizetti (there are clear references to "The Elixir of Love") more than it heralds "Falstaff." Most of the arias and ensembles are pert and lively, though there are also some moments of wistful tenderness.

The San Carlo production (a co-production, actually, with La Fenice, where it was seen some months

ago) was in the hands of Roberto de Simone, artistic director of the San Carlo, a specialist in Neapolitan cultural history and a brilliant man of the theater. The staging sparkled — the insertion of a ballad-singer and a little procession through the orchestra seats was an inspiration — and convinced, thanks also to the simple, effective sets of Mauro Carosi and the imaginative costumes of Odette Nicoletti. Edouardo Muller drew shapely playing from the often uneven San Carlo orchestra, and the chorus (the male section only is employed) showed wit and discipline.

For the most part, the singers were young and any lack of vocal power or allure was compensated for by their freshness and enthusiasm. Silvano Pagliuca stood out as Crispino, and Lucia Aliberti negotiated the coloratura role of his wife, Annetta, without mishap (those familiar with Sutherland's recording of the big aria inevitably missed the dazzling electricity). Among the others, the elegant Simone Alaimo deserves special mention, as does the Neapolitan tenor Pino di Vittorio, who was the affecting ballad-singer.

Though the San Carlo is in the eye of a political hurricane these days (charges of corruption in high places in the city government involve the opera house), artistically it is rapidly rising to the distinguished position it formerly held. Capacity houses, exciting productions, renewed interest are all signs of improving health.

Guide Deplores Britain's Pint

United Press International

LONDON — British beer drinkers are getting a weaker pint and paying more for it, according to the 1984 Good Beer Guide released Monday.

Neil Hanson, editor of the guide, which ranks pubs throughout Britain, said the beer industry was "riddled with overcharging" both by brewers and pub owners, and that the venerable British pub had become a dirty and indifferent place.

"Why is it that you can buy a pint in some pubs in Manchester for around 50 pence (70 cents), yet pay almost twice as much in some London pubs?" Hanson asked.

He said because of static beer sales, beer prices were being forced up both by taxation and "greedy brewers and landlords."

"Some brewers are also sneaking through disguised price increases, by reducing the strength of the beer they sell, and therefore, the duty they have to pay on it," the guide said. "The customer still has to pay

the same price for a weaker pint and the brewer pockets the difference in excise duty."

The guide said that larger cost 10 pence or more per pint than bitter, and yet was usually much weaker in alcoholic strength. "Too many pubs are the equivalent of bad motorway service stations, offering vinegary beer, indifferent service and dirty surroundings."

The British beer drinker also faces a possible 7-pence-a-pint increase in the March 13 budget. European Community chiefs have complained that Britain's tax on Continental wine is too high, and that on beer is too low.

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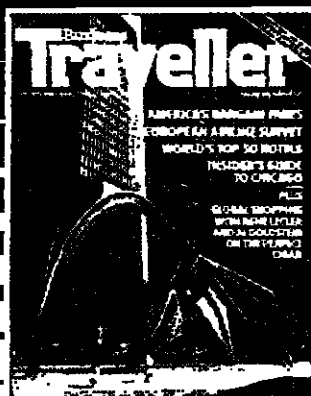
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Gold Medal

1958

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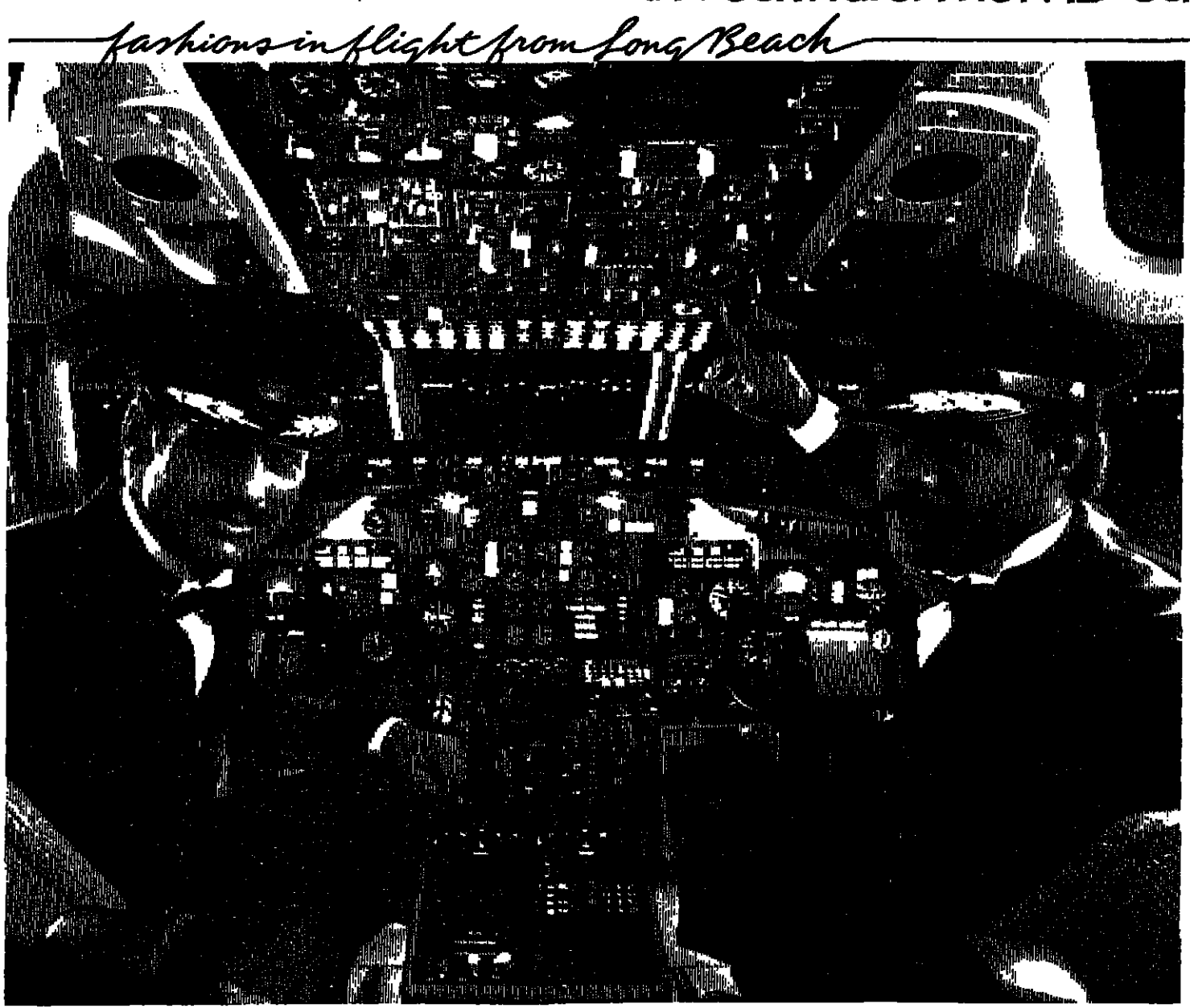
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Business

Traveller

the international travel magazine.

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GO	800	12.00	11.50	11.50	-0.50
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Index	Open	High	Low	Close	Chg.
Indus	1,234.56	1,238.90	1,230.10	1,235.00	+0.44
Transp	1,234.56	1,238.90	1,230.10	1,235.00	+0.44
Comp	1,234.56	1,238.90	1,230.10	1,235.00	+0.44
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COMMODITY

By H.J. MAIDEN

Plan for Gold Options

No Surprise, but Cash

TUESDAY, JANUARY 31, 1984

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COMMODITIES

By H.J. MAIDENBERG

Amex Plan for Gold Options Market Is No Surprise, but Cash Settlement Is

NEW YORK — People who invest or trade gold have claimed they prefer the metal to paper stores of value such as securities, money market and other financial instruments or cash. Nor has the fact that the value of gold has dropped \$30 an ounce, to about \$370, since the latest decline began late last September changed their attitude toward the metal.

Thus it came as somewhat of a surprise when the American Stock Exchange recently asked the Commodity Futures Trading Commission for permission to open a market in gold options that would be settled in cash, rather than based on any underlying futures contracts.

Another surprise was that the Amex, the second-largest U.S. stock exchange, would seek approval from the commodity commission rather than the Securities and Exchange Commission. "What did not surprise the industry was that the Amex chose to open a gold options market. Since the Commodity Exchange in New York started trading gold options based on its futures on Oct. 4, 1982, trading volume has soared."

"We decided to have our gold options settled in cash for a number of reasons," said Nathan Most, the vice president of Amex. "For one, people who invest in options do so because of the limited risk involved. The premium they pay to buy or sell short is the most they can lose. Options buyers also seek to avoid margin calls."

But many options traders who exercise their profitable options end up with futures contracts and become subject to the very risks they sought to avoid by buying options, he noted. While the Amex's options are designed to enable bullion dealers and others in the trade to hedge inventory and other risks, they are clearly aimed at the small investor.

Consequently, holders of profitable Amex options would be able to exercise them at expiration time at a price based on the second London gold fixing that day. Originally, the Amex had planned to have the settlement price based on an average of the first and second fixings, but amended their filing in order to make the settlement price simpler.

Why did the Amex choose to file with the Commodity Futures Trading Commission rather than the SEC? Mr. Most replied: "Our legal people thought that under the jurisdictional agreement worked out by the two agencies two years ago, our gold options properly belonged under the supervision of the CFTC."

The commodity agency's reputation for speedier decisions on filing may also have been a consideration, according to some in the industry.

Comex Is Unworried

In any case, Comex officials appear far from worried about their potential rival. As Terrence F. Martell, Comex senior vice president, noted the other day: "Options are the wave of the future and there will be sufficient business for all. In fact, we plan to trade silver options, despite our very active market in silver futures."

One reason for Mr. Martell's optimism is that the average investor finds it easier and less risky to sell gold short through options than through futures.

Another is that while Comex's gold futures volume dropped 12 percent, to 10.4 million contracts last year, its options business has increased substantially. Because Comex's options began trading in October 1982, year-to-year comparisons are not valid.

But last December, when gold prices were falling, the volume in Comex options climbed to 61,400 contracts, from 17,600 a year earlier, when prices were much stronger. For the full year 1983, 386,500 Comex gold options were traded and were second only to the vastly larger Treasury bond options market on the Chicago Board of Trade, where volume jumped to 1.6 million options contracts, from 119,000 in 1982.

Just Another Commodity

"Gold traders do not seem as much concerned about short-term price moves as those who buy and lock away bullion," Mr. Martell said. "Gold traders treat the metal as they would any commodity, buying when they think the price is low and selling when they expect it to rise."

What also helped Comex options volume is the increased spreading between gold options and futures. Thus far, such operations have been conducted by floor traders and other professionals who buy in one market and simultaneously sell in the other.

But more outsiders are also spreading gold futures and options. One indication of this, Mr. Martell said, was that Comex gold options last month were equivalent to roughly 10 percent of the gold futures traded, up from 2 percent a year earlier.

Because every new market depends heavily on the member floor traders to create the necessary liquidity, it is only after a year or so that volume figures become real indicators of activity.

New York Times Service

With Renault Backing, Tiny AMC Thinks Big

New York Times Service

SOUTHFIELD, Michigan — American Motors Corp. has always lived a hand-to-mouth existence, but five years into its partnership with Renault, that poverty might be ending.

The first step was the subcompact Alliance, which sold like hot cakes last year, bringing American Motors its first quarterly profit since 1980. Now AMC executives are talking about larger cars that would capitalize on the popularity of the Alliance and move American Motors into bigger, more profitable markets.

The talk is to spend \$1 billion over the next three to five years on a new-products program centered on development of a compact and an intermediate-size car to supplement the subcompact Alliance.

"We can't survive on the Alliance alone," W. Paul Tippet Jr., AMC's 50-year-old chairman, said.

The auto industry generally views subcompacts as loss-leaders that sell well but have low profit margins and are chiefly valuable for drawing buyers to larger vehicles.

Nevertheless, making those larger vehicles is a big undertaking for a small company with very little cash and very little experience in compacts and intermediates, fields now dominated by General Motors and the Japanese. No one doubts that the success of the venture will depend on AMC's French connection with Renault, which owns 46.4 percent of the American company.

Mr. Tippet bristles at suggestions that AMC is nothing more than a subsidiary of the big French government-owned company.

"They don't run the place from Paris," he said. But Mr. Tippet's executives, some of them French, acknowledge that the push into compacts and intermediates is going to be essentially a process in which AMC assembles Renault cars at its Middle West and Canadian plants and sells them through its dealer network.

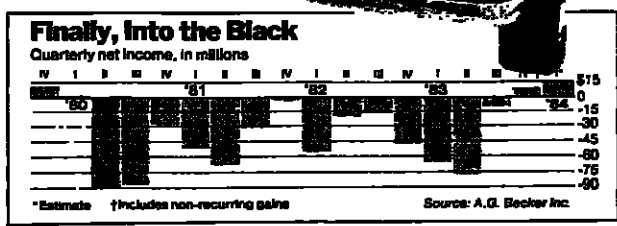
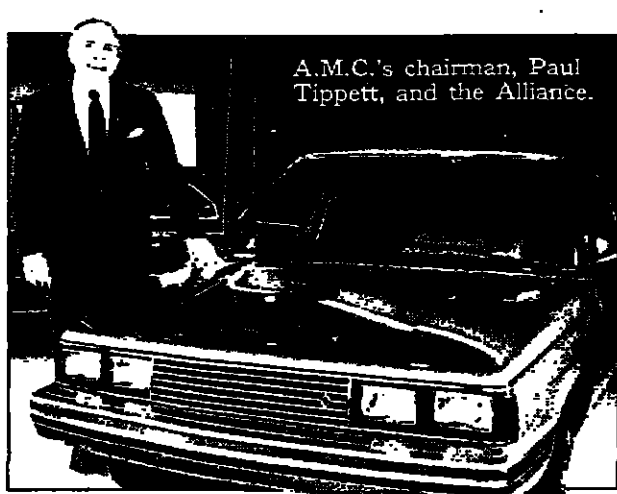
Renault, in fact, seems about to find out whether the trip to America was worth it. It was a trip that has cost it \$450 million so far in investments in AMC to keep it alive.

Starting perhaps as soon as the autumn of next year, its new models will go up against the Honda Accord, a compact, and the Oldsmobile Cutlass Ciera, an intermediate. Success would finally make Renault, through AMC, a major force in the American auto industry.

Pierre Gazarian, president of Renault USA, a New York-based organization that acts as liaison between AMC and Renault, said: "Renault has a lot of confidence in what AMC can become."

"For Renault, it's a matter of projecting yourself into the 1990s, and realizing that your objective is to become one of the great auto companies of the world, and understanding that AMC is a part of that destiny."

AMC's new compact and intermediate models would be front-



Quarterly net income, in millions

*Estimated (includes non-recurring gains) Source: A.G. Becker Inc.

The New York Times

wheel-drive vehicles, like the smaller Alliance. The company that once gave the United States the Rambler, the Nash, the Hudson and the Ambassador, has phased out the last of its conventional passenger cars in favor of French-designed front-wheel-drive cars. The Jeep and the four-wheel-drive Eagle are AMC's only remaining native models.

AMC's emergence as a healthy auto company would solve a survival problem that has plagued it from its founding in 1954 through the merger of two car companies: Nash-Kelvinator Corp. and Hudson Motor Car Co.

Those Nashes and Hudsons produced the impression that AMC was a manufacturer of slightly out-of-date cars. The flashy Gremlin and Pacer models in the 1970s changed that image, but the interest sparked by the odd designs of those cars soon faded.

"AMC's problem in the past was that it never had a consistent product program," Mr. Tippet said. "We were the company with the oddball cars."

As the fourth U.S. auto company, American Motors is still far (Continued on Page 13, Col. 3)

U.S. Firms' Net Up in '83 Period But 4th-Quarter Profits Were Level With Prior 3 Months

By Steven Greenhouse

New York Times Service

NEW YORK — Fourth-quarter after-tax profits of U.S. companies will be up about 25 percent from a year earlier but will be flat or lower when compared with last year's third quarter, according to a survey of business analysts and economists.

Economists said the flat performance relative to the third quarter had been caused by a slowdown in economic and productivity growth, lower inventories and extraordinarily large write-offs by a handful of companies.

The fourth-quarter reporting period is half over, and many industries, including computers, chemicals, paper, aluminum and airlines, have announced sharply improved results.

But the oil industry, while profitable, had its problems, and steel-makers generally lost money, though less than in the 1982 quarter.

"There was a very good gain year-over-year," said Irwin Kellner, chief economist at Manufacturers Hanover Trust. He predicted that after-tax profits in the quarter would rise 24.4 percent from a year earlier, to \$141.2 billion from \$113.5 billion.

"But quarter-to-quarter, after-

tax earnings declined by about \$3 billion," he added. "The main reason is that inventory profits dropped sharply." Inventory profits reflect appreciation in the value of goods held in stock.

Lawrence Chimierne, chairman of Chase Econometrics, forecasts that profits will decline 12 percent from the third quarter to the fourth. He adds, however, that "if you look at operating profits, what we have is a modest increase in the fourth quarter, maybe around 10 percent."

Operating profits exclude inventory profits and special, nonrecurring factors. Mr. Kellner said inventory profits would drop to \$8.5 billion in the fourth quarter from \$18.3 billion the previous quarter. Goods sold from inventory in the fourth quarter had not been held as long — and therefore did not appreciate as much — as in the third quarter.

Robert Ormer, chief economist for the Department of Commerce, predicted that fourth-quarter earnings would be level with the third quarter.

"Economic growth was extremely strong in the second and third quarter and a little slower in the fourth," he said.

The three largest automakers will not report their earnings until mid-February, but analysts foresee much stronger profits for them. Here is a look at how selected industries fared:

Computers

With a 24-percent jump in earnings, International Business Machines Corp. led the industry in a quarter that many analysts said was better than expected — for both mainframe manufacturers and personal computer makers.

Digital Equipment Corp. reported a 32-percent gain. Texas Instruments was up 81 percent and Commodore International was 99.6 percent higher. Control Data, Burroughs and Honeywell also reported better earnings.

William D. Easterbrook, an analyst with Kidder, Peabody & Co., said mainframe makers had been hurt by IBM's aggressive pricing, but were doing better because volume has improved and IBM is not pricing as aggressively now.

"In the market for systems under \$20,000, there are some 300 companies, so there's a lot of turnover there," Mr. Easterbrook said. "Those companies are doing better, but they will face a volatile market in future years."

Steel

Bethlehem Steel Corp., Armco and National Intergroup reduced their losses, and one steelmaker, LTV Corp., even reported a profit. Several said they would have been profitable but for nonrecurring charges.

The nation's largest steelmaker, U.S. Steel Corp., which took a \$650-million after-tax write-off in December because of widespread plant closings, is scheduled to report its earnings Tuesday.

"The industry's earnings recovery has been marching ahead, but at a slower pace than had been (Continued on Page 11, Col. 1)

Armco Discusses Sale Of Insurance Operation

By Bob Hagerty

International Herald Tribune

LONDON — Armco Inc., the Ohio-based steelmaker, said Monday that it is discussing the sale of its insurance operations to Allianz Versicherungs A.G., West Germany's biggest insurer.

Allianz has repeatedly stated its determination to expand its overseas operations, which currently account for about 15 percent of premium income. The company recently reaped a profit equivalent to about \$225 million on the sale of its 30-percent stake in Eagle Star Holdings PLC, a major British insurer, to BAT Industries PLC.

Armco said it was proposing to sell the operations for 1 1/2 to 2 times book value but declined to estimate book value. The core of Armco's insurance operations is NN Corp. of Milwaukee, acquired in late 1981 for Armco shares valued at about \$350 million.

The operations are primarily property and casualty insurance

but also include life insurance. Armco has insurance offices in the United States and Britain.

The steelmaker, which also produces aerospace products and oil-field equipment, cited tax considerations for the plan to shed its insurance business. Armco's losses have totaled \$1.02 billion in the past two years. Those deficits eliminated the scope for tax benefits arising out of losses on insurance underwriting.

Armco's financial services group, mostly involved in insurance, had a loss of \$88.6 million in 1983's first nine months, compared with a loss of \$4.8 million in all of 1982.

The insurance operations produced premium volume of more than \$600 million in 1982, Armco said.

Reuters quoted an Allianz spokesman in Munich as saying that it would take two to three months to reach a decision on whether to buy the Armco operations.

Shareholders Vent Anger on Sony Executives

Reuters

TOKYO — Sony shareholders, angry about a drop in profit and concerned about the future of the company's Betamax videotape recorder, subjected the company's executives to a 13-hour grilling Monday.

The shareholders pressed executives on accounts, the future of the Betamax format and a planned advertising campaign in Japan to promote the Betamax system.

Many of the shareholders' questions concerned the Betamax format, which Sony pioneered and which has become less popular than the system of the Matsushita group. Electronics industry sources said the Betamax system had 60 percent of the world market in the late 1970s but its portion has now fallen to around 25 percent.

Prices on the NYSE Fall to 2 1/2-Month Low

United Press International

NEW YORK — Prices on the New York Stock Exchange skidded to a 2 1/2-month low Monday, largely because of worry about the direction interest rates will take, although investors were relieved President Ronald Reagan has decided to run for a second term.

Transportation issues were battered. IBM and other high-technology issues also slumped. But oil stocks tall again on takeover situations and earnings reports.

The Dow Jones industrial average, up 4 points at the outset on Reagan's announcement after adding 0.31 Friday, fell 8.48 to 1,221.52, the lowest level since it finished at 1,214.94 on Nov. 8. The Dow, a 29.11 loss last week, ended 65.12 since hitting 1,286.65 the first week in January.

Declines topped advances 1,188-470 among the 2,019 issues traded. Volume totaled 103.1 million shares compared with 103.7 million traded Friday.

The slump that began three

weeks ago "has begun to encompass the stocks that held up in the latter part of 1983," said Don Kinsey of Dean Witter Reynolds. "Last year, everybody was waiting for a correction but it didn't happen. Now, everybody has gotten frustrated with it all and they are selling. Actually, the scale is tipped in favor of bonds."

"There apparently is some concern about the economy's outlook," Kinsey said. He did not think investors were discounting Tuesday's report on the government's index of leading indicators, however.

"This market is selling off and it will have to work itself out," said Trude Latimer of Evans & Co., an investor psychology is not good at this point and there appears to be some nervousness about the Federal Reserve's Open Market Committee meeting."

That two-day meeting got under way Monday and few experts believed the board would change policy. They were concerned, however, about targets they would set for money supply growth.

Texaco was the most active NYSE-listed issue, up 2 to 39 1/2 following a block of 5.1 million shares traded at 40. Getty Oil gained 1 1/2 to 121.

Texaco, which has offered \$10.1 billion for Getty, plans to sell Getty's Northeastern and Middle Atlantic States gasoline marketing assets to Power Test for \$90 million if the merger goes through.

Power Test stock climbed 4 1/2 to 18 1/2 on the Amex. American Telephone & Telegraph when issued stock was the second most active NYSE-listed issue, off 1 1/2 to 17 1/2. AT&T "old" followed, up 1/2 to 65 1/2.

Ralston-Purina was fourth on the Big Board active list, off 1/2 to 29 with a block of 1,700,000 shares trading at 29.

Among the transportation issues, Fruehauf lost 2 1/2 to 41 1/2, Carolina Freight Corp. lost 1 1/2 to 23 1/2, Overnite Transportation 1 1/2 to 22 1/2, Transway International 1 1/2 to 35, CSX Corp. 1 1/2 to 21 1/2, Federal Express 3 to 39 1/2, AMR Corp. 1 1/2 to 34 1/2, Delta 1 to 40, Trans World 1 1/2 to 37 1/2 and UAL Inc. 1 1/2 to 35 1/2.

CURRENCY RATES

Late interbank rates on Jan. 30, excluding fees. Official fixings for Amsterdam, Brussels, Milan, Paris, New York rates at 4:00 pm EST.

	S	D.M.	F.F.	R.L.	G.M.	S.F.	S.F.	Yen
Amsterdam	3.495	4.48	12.24	36.1	0.185	5.513	14.26	125.7
Brussels	37.42	30.84	20.43	4.09	3.258	18.455	25.65	34.32
Frankfurt	3.815	3.953	22.8	1.64	88.86	4.85	125.45	1.78
London	1.603	3.93	12.893	2.6875	4.498	8.72	3.151	29.25
Milan	17.1425	2.409	60.31	19.18	—	54.88	29.814	7.713
New York	—	1.025	2.816	8.41	171.53	3.183	57.495	2.265
Paris	16.18	12.13	28.91	—	0.022	37.12	140.75	38.63
Tokyo	224.525	329.54	83.26	27.21	72.89	72.53	407.23	104.45
Zurich	2.403	3.147	79.49	26.85	0.1388	70.765	3.922	—
1 ECU	0.8004	0.5787	2.2555	5.975	1.2925	2.5464	4.9893	1.792
1 SDR	1.6326	0.75565	3.7161	8.954	1.2728	3.5791	8.0001	2.215

Dollar Values

	Per U.S.	Per U.S.	Per U.S.	Per U.S.	Per U.S.	Per U.S.	Per U.S.	Per U.S.
Australia	1.087	1.099	Irish	0.0999	0.0999	0.0999	0.0999	0.0999
Austria	13.76	13.76	Israel	12.525	0.7	0.7	0.7	0.7
Belgium	36.4	3.255	Kanada dollar	0.242	0.012	0.012	0.012	0.012
Canada	1.375	0.624	Malay, rupiah	2.34	0.003	0.003	0.003	0.003
Denmark	10.115	0.122	Norw. krone	7.465	0.221	0.221	0.221	0.221
Finland	5.925	0.072	Swiss franc	0.945	0.009	0.009	0.009	0.009
French franc	10.255	0.084	Swiss franc	0.945	0.009	0.009	0.009	0.009
Hong Kong	7.865	0.249	Saudi riyal	2.104	0.272	0.272	0.272	0.272

1 Sterling = 1.493 Irish £
1 Cent Commercial Franc (C) Amounts needed to buy one pound (C) Amounts needed to buy one dollar (C)
N.A.S. (not quoted) N.A.S. not available.

INTEREST RATES

Eurocurrency Deposits Jan. 30

	1M	3M	6M	9M	12M	15M	18M	21M	24M	30M	36M	42M	48M	54M	60M
1M	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
3M	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
6M	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
9M	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
12M	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2

* Rates applicable to interbank deposits of \$1 million minimum for each bank.

Key Money Rates

	Close	Prev.	Close	Prev.
United States				
Discount Rate	9 1/2	9 1/2	Bank Base Rate	9 1/2
Federal Funds	9 1/2	9 1/2	Call Money	8 1/2
Prime Rate	11	11	11-day Treasury Bill	8 1/2
Broker Loan Rate	10 1/2	10 1/2	3-month Treasury Bill	9 1/2
Comm. Paper, 28-179 days	8.85	8.85	6-month Treasury Bill	9 1/2
3-month Treasury Bill	8.91	8.91	1-year Treasury Bill	9 1/2
4-month Treasury Bill	9.15	9.15	1-year Treasury Note	9 1/2
CDs 28-59 days	9.12	9.12	1-year CD	9 1/2
CDs 60-90 days	9.12	9.12	1-year CD	9 1/2

West Germany

	Close	Prev.	Close	Prev.
Overnight Rate	5.50	5.50	Overnight Rate	5.50
3-month Rate	5.50	5.50	3-month Rate	5.50
6-month Rate	5.50	5.50	6-month Rate	5.50
1-year Rate	5.50	5.50	1-year Rate	5.50

Japan

	Close	Prev.	Close	Prev.
Discount Rate	5 1/2	5 1/2	Discount Rate	5 1/2
Call Money	6 1/2	6 1/2	Call Money	6 1/2
3-month Rate	6 1/2	6 1/2	3-month Rate	6 1/2
6-month Rate	6 1/2	6 1/2	6-month Rate	6 1/2
1-year Rate	6 1/2	6 1/2	1-year Rate	6 1/2

Sources: Commercial Bank of Tokyo, London Bank, London Bank.

GOLD PRICES

	A.M.	P.M.	Crge
ong	370.75	369.65	+ 2.78
our	369.00	—	+ 2.55
25 kilo	369.86	369.93	+ 2.82
	369.35	369.75	— 0.625

BUSINESS BRIEFS

Lloyds Bank Completes Purchase Of SMH and Appoints New Managers

COLOGNE (Reuters) — Lloyds Bank has completed the purchase of various businesses of Schröder, Münchmeyer, Hengst & Co., a joint statement issued through the West German Banking Association said Monday.

Lloyds bought all the securities operations and portions of the credit portfolio of SMH, a private West German bank that was threatened with failure last year because of excessive and high-risk loans. A spokesman for the banking association said the new SMH will have assets of about 900 million Deutsche marks (\$319 million), against 2.2 billion DM in the old bank.

The new management of SMH consists of Paul Brown and John Hobbie from Lloyds, and Jochen Neugebauer, Christoph von Hardenberg and Adolf Kraus, general managers of the old SMH. Four SMH partners were dismissed in November, after a group of West German banks put up 620 million DM to rescue the bank.

Toshiba Corp. Develops 256-K Chip

TOKYO (Combined Dispatches) — Toshiba Corp. has developed what it claims to be the world's first 256-kilobit static RAM (random access memory) computer chip, the company said Monday.

Toshiba's managing director, Kazuo Otani, said the chip put Toshiba "at least six months ahead" of its competitors. He said samples of the new memory system will be shipped later this year with full production starting in 1985, turning out 50,000 units each month.

Mr. Otani said the chips will be used in word processors, typewriters, personal computers and display terminals. Their combination of low power consumption with high speed and good memory retention will make them particularly useful in portable personal computers, he said. (UPI, Reuters)

West Germany Orders Aral Shakeup

BERLIN (Combined Dispatches) — The West German cartel office said Monday it has forbidden Aral AG to continue in its present form and given its three major shareholders until May 1, 1985 to restructure the firm, which runs the largest chain of gas stations in West Germany.

The office based its decision on Aral's system of selling oil and diesel fuel at fixed prices which excludes competition among the three shareholders: Veba Oil AG, Mobil Oil AG and Wintershall AG. A cartel office spokesman said the office rejected a proposal to split up Aral's wholesale business because it would have left the company's network of fuel stations intact.

Aral and its three major shareholders said they would appeal the ruling. Founded in 1897 and operating as Aral since 1924, the chain runs 4,400 stations in West Germany and West Berlin, and another 2,000 in neighboring West European countries. (Reuters, AP)

Brazil Seen Needing \$4 Billion in '85

DAVOS, Switzerland (Combined Dispatches) — Brazil will probably need to borrow about \$4 billion from commercial banks in 1985, Brazil's finance minister, Ernane Galvès, said Monday.

Brazil has just finished negotiating fresh bank loans of \$6.5 billion to cover its needs in 1984. Mr. Galvès said Brazil would stick to the guidelines set by the International Monetary Fund to recover from its debt crisis.

Speaking at the annual Davos Symposium of businessmen and politicians, Mr. Galvès said too much reliance is placed on action by debtor countries and not enough is being done to solve problems emanating from the industrialized countries, such as high interest rates caused by large budget deficits. (AP, Reuters)

Continental Seeks to Void Union Pact

HOUSTON (UPI) — Continental Airlines, which has sought protection from creditors under Chapter 11 of the U.S. Bankruptcy Code, asked a judge Monday to approve cancellation of union contracts it says are out of line with the marketplace.

Continental already has unilaterally voided the contracts but needs bankruptcy court approval to go forward with its reorganization.

In a separate action, it filed a \$250-million damage suit against the International Association of Machinists in Los Angeles, accusing its leaders of forging ballots to attain a strike vote majority last August.

U.S. Deficits Seen Remaining High

NEW YORK (Reuters) — U.S. budget deficits will not fall much below \$200 billion during the next several years, even if the U.S. economy remains strong, the Conference Board said Monday.

And the deficits "would probably rise to the \$275-billion to \$300-billion range in the event of an economic downturn," said Michael Levy, economic research director at the board, a nonprofit business research organization. Mr. Levy also said "tax increases prior to fiscal 1986 seem highly unlikely."

For the current fiscal year, the board projects federal spending of \$865 billion and receipts of \$675 billion, for a deficit of \$190 billion.

U.S. Profits Rose in Quarter, But Levelled From 3d Period

(Cont'd From First Business Page)

expected," said James Rudolph, an analyst with Wertheim & Co., who said low volume and prices were the chief problems. "It looks as if the industry will swing from loss to profit in the first quarter."

Airlines

Airlines did better in the quarter, but a few are still being buffeted by deregulation and keen competition in the Florida market.

Trans World and USAir reported sharply higher earnings, while UAL Inc. reported a 7.5-percent increase. Delta Air earned \$40.7 million and People Express \$1.3 million after a loss in the 1982 final quarter. Eastern, which was profitable in the 1982 final quarter, reported a \$54.8-million loss.

When the final results are in, the airlines will show a significant recovery over 1982," said Julius Malduis, an analyst with Salomon Brothers. "Airlines were able to increase fares significantly as well as reduce the availability of discount fares."

Chemicals

Because chemicals are used in so many sectors of the economy, the industry usually prospers in a broad-based recovery, and most companies did much better. A few are still having problems, however.

Monsanto Co. had a 53.2-percent increase, and Celanese Corp. earned \$52 million after a loss a year earlier. But some chemical companies are still plagued by in-

Banks Urge France To Refinance Debts

By Paul Lewis
New York Times Service

DAVOS, Switzerland — Major European and U.S. banks are privately urging France to negotiate easier repayment terms for some of its huge foreign debt, now estimated at more than \$50 billion, according to banking sources.

These bankers, attending a large business conference here, say that repayment of much of the roughly \$25 billion that France's ruling Socialists have borrowed abroad in the past three years will start to fall due around 1988 and 1989.

To ease the heavy repayment burden, Western banks are encouraging the French government to refinance the debt, spreading payment of principal over a longer time. No firm agreement has been reached, but bankers say they expect the government to work out such a plan so the country will have greater economic freedom toward the end of the decade.

Many Western banks are eager to help France because they believe it is a good credit risk at a time when they are becoming more difficult to find. The banks would expect to earn fees for arranging the operation, increasing their French earnings at a time when France's economy and their business there is generally stagnant.

But bankers attending the annual meeting of the European Management Forum, a Geneva-based advisory body, say that the French government appears to have two objectives of its own in discussing a refinancing plan.

First, it is anxious to avoid giving the impression that France is unable to repay its debts and is being forced to seek easier payment terms, as Brazil, Mexico, the Philippines and many other developing countries have done in recent months. At the opening of the meeting, the president of the World Bank, A.W. Clausen, said that more than 30 heavily indebted developing countries have rescheduled \$100 billion of foreign debts.

Any suggestion that France is joining the long list of overly indebted developing countries asking for easier treatment would be highly embarrassing for the Socialists, who are already under political attack for having borrowed so much abroad. As a result, the operation is being called a refinancing rather than a rescheduling, the term applied to Third World countries when they cannot meet their obligations.

Second, bankers say, the government has expressed the hope that an easing of its debt burden would improve the credit rating in New York of France's nationalized

banks. No French commercial bank now enjoys a triple-A rating by Standard & Poor's Corp. Earlier this month, S&P downgraded Banque Nationale de Paris and Société Générale from triple-A to double-A. Last year, the third of France's "big three" nationalized banks, Crédit Lyonnais, was similarly downgraded.

As a result, the only French banks that still have triple-A ratings from S&P are the state-owned Cie. Financière de Paris, an investment bank, and Crédit Agricole, a farmers' cooperative bank. The Socialist government borrowed heavily abroad during its first years in office to finance an expansionary economic policy.

According to Finance Minister Jacques Delors, France's external debt stood at \$53 billion at the end of last year. That was 20 percent higher than the \$44.2 billion owed at the end of 1982 and 61 percent higher than December 1981.

Last month, Mr. Delors said France would continue to borrow abroad this year to meet repayment obligations. But in late 1983 or early 1986, he said, France hopes to start repaying debt from an international payments surplus from the Socialists' austerity policy to increase exports while holding down imports.

But industry executives and analysts see some relief, even without quotas.

"In 1984, orders will definitely have to be up," said Otto Kern, group vice president for machine tools for Ex-Cell-O Corp., based in Troy, Michigan.

"We've had two bad years in which people haven't been investing in equipment," he said. "With their equipment getting older, they'll just have to start investing." He predicts that orders will rise to \$2.5 billion this year.

Increase in Productivity

The Labor Department said Monday that business productivity in the United States rose 3.1 percent last year, the best showing since a 3.2-percent increase in 1976. The Associated Press reported from Washington.

The department's Bureau of Labor Statistics said the improvement in the private sector was led by the fastest manufacturing productivity gain in 20 years.

The statistics, which measure the volume of goods and services produced in an hour of working time, exclude the farm economy. When agriculture was included, worker efficiency rose at an annual rate of 2.6 percent.

Porsche Plans Network in U.S.

STUTTGART — Porsche AG will set up its own sales and service network in the United States, company sources said Monday.

As reported, Porsche has said it would not renew a licensing agreement with Volkswagen of America that expires on Aug. 31.

A company spokesman declined to confirm the plan but said the chairman, Peter Schutz, would announce Porsche's intentions at a dealers' meeting in the United States in mid-February.

The sources said Porsche found the sales and service networks of such mass producers as Volkswagen unsuitable for its requirements. Porsche sales in the United States last year were a record 22,000.

Japanese Auto Exports Rose 1.4% in 1983

TOKYO — Japan's auto exports rose a modest 1.4 percent under a continuing program of voluntary restraints in 1983, with the United States absorbing 40 percent of the total and shipments to Europe jumping 17.9 percent to 916,187, the Japan Automobile Manufacturers Association said Monday.

Auto exports totaled 5.67 million units.

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Jacques Delors

Hanson Trust Acquires Stake in Powell Duffryn

By Bob Hagerty
International Herald Tribune

LONDON — Hanson Trust PLC, the acquisitive industrial conglomerate, disclosed Monday that it holds 4.38 percent of Powell Duffryn PLC's shares.

The announcement set off speculation about the possibility of a takeover bid. Powell shares shot up 26 pence to 342 pence, giving the company a stock market value of about £134 million (\$188 million). Hanson noted that it has investment stakes in numerous companies and said it is keeping all options open.

Powell's interests include fuel distribution, construction services, chemical storage, shipping and engineering. The company was hit hard by the recession during the past three years, but analysts expect it to report pre-tax profit of about £17 million for the year ending March 31, up from £12.9 million a year before.

Analysts were puzzled about Hanson's motives. The company already is offering £212 million, or 145 pence a share, for London Brick PLC, Britain's biggest brick-maker.

London Brick shares closed Monday at 163 pence, suggesting that Hanson would have to raise its bid to win control.

Some analysts speculated that Hanson, by demonstrating that it has other takeover options, is signaling unwillingness to raise its bid for London Brick. "If they don't

Dutch Producer Prices Go Up

THE HAGUE — The index of Dutch producer prices of finished products rose 0.1 percent in November from the October level, according to the Central Statistics Office. The index was 1.9 percent above the figure for November 1982.

DeVoe-Holbein International N.V.

Curacao, Netherlands Antilles

Notice is hereby given to shareholders that the Common Shares of the Company have been split to the effect that each share of US \$ 0.25 par value has become two and one half (2½) shares of US \$ 0.10 par value.

New stock certificates are in the process of being printed to replace the present certificates. Pending this each present certificate shall be recognized from the effective trading date of January 24, 1984 to represent two and one half times the number of shares stated on the certificate.

January 31, 1984.

DeVoe-Holbein International N.V.

This announcement appears as a matter of record only.

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January, 1984

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E-SYSTEMS, INC.
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50,000,000 Common Shares of U.S. \$1.00 par value
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Issued, and reserved for issue at 13th December, 1983.

32,605,058

The Council of The Stock Exchange has admitted to the Official List all the shares of common stock of E-Systems, Inc. issued and reserved for issue.

The Company designs, develops and manufactures advanced electronic systems and products, primarily for sale in defence related markets.

Particulars relating to E-Systems, Inc. are available in the Extel Statistical Service and copies of such particulars may be obtained during usual business hours on any weekday (Saturdays excepted) up to and including 24th February, 1984 from:

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99 Bishopsgate,
London EC2M 3UX

31st January, 1984.

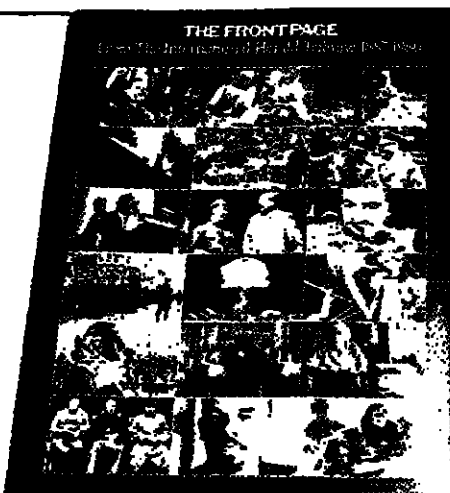
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THE FRONT PAGE

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COMPANY EARNINGS

Revenue and profits, in millions, are in local currencies unless otherwise indicated

United States			
Company	1983	1982	1981
American Express			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81
Dow Jones			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81
Amer. Petrofina			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81
Dun & Bradstreet			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81
Armstrong World			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81
Boeing			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81
Black & Decker			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81
Borg-Warner			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81
Cent Illinois			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81
Owens-Illinois			
Revenue	1,013.1	910.1	810.1
Net Income	101.3	91.0	81.0
Per Share	1.01	0.91	0.81

With Renault Backing, Tiny AMC Thinks Big

(Cont'd From First Business Page) behind the Big Three. It may never be more than an oddball car maker, as Mr. Tippet puts it, if the Alliance should fade before the compact and intermediate cars can be marketed.

Some hint of that possibility surfaced this month when Alliance sales suddenly softened. But the partnership with Renault appears to be providing AMC with the best opportunity in its history to develop what Mr. Tippet said the company has always lacked — a reasonable line of cars.

Although no formal announcements have been made, company officials said that AMC's new compact will be based on the Renault R25, to be introduced in Europe this spring. It would be built in AMC's Brampton, Ontario, plant or in the Toledo, Ohio, plant, possibly in time for the 1986 model year. The intermediate will follow later in the decade, AMC executives said.

AMC also plans to expand its Jeep line in the next two or three years to include a mini-pickup truck that would compete with the Chevrolet S-10 and the Ford Ranger models, Mr. Tippet said. That will mark AMC's first entry into a growing market that accounts for the bulk of light truck sales.

"We're not going to try to go into all of the segments of the car market — we're not going to sell big rear-drive hogs to compete with Cadillac, because those guys would beat our brains in," Mr. Tippet said. "But we want to go from covering about 25 percent of the market today to about 50 percent over the next few years."

"Right now, our big car is the Jeep, and it will be our high-profit vehicle until we get some of these new products. But we've got to get out of just being in the subcompact segment of the passenger car market, and I think we have a logical plan for working our way up the ladder."

Auto analysts agree. "They are in precisely the wrong segment — subcompacts — right now, and it is going to be very expensive for them to get out," said David Healy, automotive analyst with Drexel Burnham Lambert Inc.

The analysts wonder whether Renault will provide sufficient fi-

Nissan, Union Agree on Plant

United Press International

TOKYO — Nissan Motor Co. has reached agreement with its union on a plan to build a production facility in Britain, Takashi Ishihara, the company's president, said Monday.

Mr. Ishihara gave no further details of the agreement and said they would be given early next month. A leading Japanese financial daily, the Nihon Keizai Shimbun, said the agreement involved substantial scaling down from the original plan to build a full-fledged assembly plant.

The daily said management overcame opposition from the company's labor union and completed the agreement at a meeting Monday between top management and union officials. Ichiro Shioji, the union leader who has fought the investment project since August, refused to comment on the meeting.

For 1983 were the highest since 1976. Joseph Cappy, AMC's vice president for marketing, likes to point out that 25 percent of the used cars traded in so far for new Alliances have been imports, establishing the Alliance, he says, as the best import-fighter of any American-built car.

The subcompact has been marketed in such a way as to emphasize its Renault heritage, giving the product, as well as AMC, something of an import image.

But there are signs that the Alliance's sales success may have peaked. The latest 10-day sales figures show little rise and early this month, AMC cut production, laying off 700 workers at its Kenosha, Wisconsin, assembly plant.

Profit margins on inexpensive subcompacts are the lowest of any segment of the market, David Eisenberg, auto analyst with Sanford C. Bernstein & Co., said that if volume levels, the Alliance might not be profitable for AMC after fully accounting for all Alliance-related costs.

"The Alliance has exceeded AMC's market penetration projections, but the basic profitability of the vehicle is too low," he said.

Europeans, Led by Mercedes-Benz, Invade U.S. Truck-Building Market

By Warren Brown

Washington Post Service

WASHINGTON — Foreign makers of motor vehicles have launched another attack on their U.S. competitors — this time using a combination of imports and investments.

Their target is not the market for small cars, but the \$7.5-billion-a-year business of selling medium- and heavy-duty trucks, long dominated by American names such as International Harvester, Ford, GMC, Freightliner, Mack, White, Peterbilt and Kenworth.

The latest invasion began from a beachhead in Hampton, Virginia, where about 115 workers, using mostly parts from Brazil, have been assembling Mercedes-Benz trucks for more than two years.

The Hampton plant, which turned out more than 3,000 trucks valued at about \$70 million last year, is only a small part of the U.S. truck operations of Daimler-Benz AG. Daimler-Benz also owns Freightliner Corp., one of the biggest makers of the biggest trucks permitted on U.S. roads.

Sweden's AB Volvo, maker of Volvo cars and trucks and marine engines, had been considering buying Freightliner at about the same time Daimler-Benz bought the company for \$225 million in August 1981.

Volvo later settled on White Motor, now called Volvo White Truck Corp.

The foreign-controlled companies need to be given credit "for saving good truck companies like Mack and White" and for doing other things to increase competition, said Larry Strawhorn, engineering director of American Trucking Associations, a national federation of state trucking associations and conferences.

"You take their philosophy on warranties," he said. One of the foreign-owned companies "might have a 200,000-mile warranty, but will raise it to 300,000 miles if it finds out that that's what some other manufacturer is doing. The customer benefits from that kind of thing."

Freightliner was in dire financial straits when it was sold. Daimler-Benz, the world's largest maker of heavy trucks, needed a solid base in the United States, the world's top

market for trucks in the medium-heavy range. By combining its Hampton line with its newly acquired Freightliner products, Daimler-Benz covered both ends of the market.

Peter E. Rupp, a member of the Daimler-Benz board who serves as president and chief executive officer of Freightliner, said, "We didn't buy Freightliner because it was the only girl left at the party. We bought it because it had a good distribution network and an excellent product reputation, something very important to Daimler-Benz."

Importing Daimler-Benz trucks to the United States was "out of the question," mostly because "there is an unbelievable degree of specification in the American market" for heavy-duty trucks, he said.

Industry sources speculate that Mr. Rupp would like to use Mercedes-Benz diesel engines in heavy-duty Freightliner trucks. Mr. Rupp would only say that he believes the Mercedes-Benz engine "can take on all comers."

Does that worry American-owned truck companies?

At the moment, the Japanese have no significant entries in the domestic medium-truck market, and they're invisible among heavy trucks. But Hino, a subsidiary of Toyota Motor Corp., reportedly is studying the possibility of setting up a heavy-truck assembly shop in Florida.

But Mr. Rupp said some U.S.-owned companies are so nervous about the Japanese, they have asked him to work with them on legislation to close the market to any more newcomers. "But I've absolutely refused," he said. "I'll raise hell if there's evidence of dumping or unfair subsidies or something of that sort. But I'm not going to work to keep anybody out."

The world trade organization based in Geneva, that the dispute be put on the agenda of a meeting Feb. 7 of GATT's Council of Representatives, the sources said.

The U.S. message says that members of the trade body "may disapprove of the community action because it exceeds that permitted under Article 19," the sources said. The reference is to an article that prescribes when emergency action may be taken against imports that injure domestic producers but also provides consultation and compensatory measures.

After Washington's announcement of the steel import restrictions last July, the two sides held a series of meetings in Geneva, but the EC rejected U.S. offers of compensation as being too low.

A recent EC statement described its retaliation as moderate.

Washington has asked GATT.

U.S. to Challenge EC On Steel Tariffs, Quotas

Reuters

GENEVA — The United States will challenge the European Community before the General Agreement on Tariffs and Trade next week, accusing it of taking excessive retaliatory measures against U.S. import restrictions on special steels, trade sources said Monday.

The EC said earlier this month that it would increase tariffs or reduce quotas on some U.S. exports in reprisal for U.S. tariff increases and quota cuts on the special steel products. That sector is virtually the only profitable one in the ailing European steel industry.

The EC's action, which takes effect Wednesday, covers a range of items, including plastics, chemicals and sporting goods, whose annual sales throughout the 10-nation trading bloc are valued at about \$120 million.

Washington has asked GATT.

The U.S. Treasury aide

Foresees Easing of World Debt Crisis

Reuters

DAVOS, Switzerland — The U.S. deputy Treasury secretary, R.T. McNamara, said Monday that the international debt problem has clearly improved and should ease further in the next few years.

In an address to a European management symposium, he said smaller problems will inevitably occur as some banks try to pull out of international lending and over terms for specific countries, but they will be manageable.

He described the debt difficulties as a major liquidity problem, not a situation of economic collapse and political chaos.

Mr. McNamara said that by the start of 1984 the greatest uncertainties had been resolved, with additional resources secured for the International Monetary Fund and irrational restrictions that might have terminated international lending avoided.

The debt problem will not be resolved at the same time for all countries, and it will take at least two years even for those in the most favorable situations, he said.

Mr. McNamara said he sees protectionism, high interest rates and potential oil price rises as threats to a solution of the debt problem.

"All developed countries, but the U.S. in particular, must pursue policies to lessen the upward pressure on interest rates," he said.

He urged that debtor countries encourage more direct foreign investment and eliminate export subsidies.

He said he expects banks to swap existing loans with each other to avoid overconcentration in any one country, possibly through a central clearing house. This would also enable small banks to leave international lending, at a price, he said.

Brazil's finance minister, Ernane Galvao, was among several Third World ministers here who blamed the large U.S. budget deficit for keeping interest rates high and thus adding to the debtor countries' financial burden.

Monday's AMEX Closing

Vol. of 4 p.m. 7,901,000

Prev. 4 p.m. Vol. 6,500,000

Tables include the nationwide prices up to the closing on Wall Street

2 Month High Low Stock Div. Yld. PE St. 100 High Low Close Chg. Chg. Chg.

A

4% AICP

12% AICP

15% AICP

18% AICP

21% AICP

24% AICP

27% AICP

30% AICP

33% AICP

36% AICP

39% AICP

42% AICP

45% AICP

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